

Tucson Electric Power

88 East Broadway Blvd. | Post Office Box 711 | HQE910 | Tucson, AZ 85702-1702

February 1, 2022

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Request for Approval of Tucson Electric Power Company's PPFAC Rate Adjustment
Decision No. 77856, Docket No. E-01933A-19-0028

Introduction

Pursuant to Tucson Electric Power Company's ("TEP" or "Company") Purchased Power and Fuel Adjustment Clause ("PPFAC") Plan of Administration ("POA"), TEP hereby files for approval by the Arizona Corporation Commission ("Commission"), its annual PPFAC Rate adjustment. This update to the October 2021 Report¹ replaces estimated balances for the Forward and True-Up Component Tracking Accounts with more current estimates for the months in which actual data was not previously available. This report also contains confidential and proprietary information that is being provided separately to Commission Staff pursuant to the terms of the Protective Agreement in this docket.

TEP's 2022 PPFAC Balance Reflects Two Years of Cost Deferrals and Delayed Recoveries

Due to the COVID-19 pandemic, TEP's PPFAC rates in 2020 *and* 2021 shifted costs for future recovery and delayed the implementation of the PPFAC reset. TEP's 2021 PPFAC rate of \$0.003294 per kilowatt-hour ("kWh") was approved by the Commission in Decision No. 77960 (April 15, 2021).² Similar to TEP's 2020 PPFAC,³ the 2021 PPFAC rate included:

- \$13.5 million of fuel and purchased power costs incurred in 2020 that were shifted for future collection; and
- a two-month delay in the implementation date (from April 1, 2021 to June 1, 2021) that resulted in \$4.3 million of additional PPFAC costs.

¹ <https://docket.images.azcc.gov/E000016382.pdf?i=1642532172620>

² <https://docket.images.azcc.gov/0000203474.pdf?i=1642530027201>

³ TEP notes that in Decision No. 77592 (March 30, 2020), the Commission approved the Company's 2020 PPFAC rate reset which reflected a voluntary deferral of \$12.5 million due to the onset of the COVID-19 pandemic. The Commission also ordered a two-month delay in the implementation date. The combined effect of these two actions resulted in over \$19 million of deferred costs. (As described in TEP's 2021 PPFAC filing on page 1: <https://docket.images.azcc.gov/E000011582.pdf?i=1642540261126>)

In Decision No. 77960, the Commission expressly recognized that:

If the implementation of the 2021 PPFAC rate is delayed or not set to recover the full cost of fuel and purchased power, those costs are simply shifted into the following year's balance, resulting in a higher PPFAC rate in 2022. ... [A]s proposed by the Company, delays the implementation of the higher PPFAC rate until the approved COVID-19 vaccines are expected to be more widely available, allowing for the lifting of restrictions on economic activity as a result of the pandemic and an improvement in the economic climate.⁴

As a result, TEP's current PPFAC balance includes approximately \$18 million of costs that the Company would have normally recovered in 2021.

Other Factors Contributing to the \$108 Million of Under-collected Costs

- Due to declining natural gas and wholesale power prices through 2018, the TEP PPFAC rate set in April 2019 reflected a substantial decrease from the prior rate.⁵ However, shortly after that rate was set, summer market conditions unexpectedly reversed course and there were periods of exponentially higher prices. The volatile market resulted in significant under-collections and a higher forward component in 2020.
- Since 2019, there has continued to be significant wholesale power and natural gas market volatility. For example, San Juan Basin natural gas prices increased by an average of 88% between December 2020 and December 2021. Average round-the-clock Palo Verde wholesale power prices in June and July 2021 were up 179% compared to 2020. Also, due to summer capacity shortages in the Desert Southwest, as well as uncertainty regarding power flows through California,⁶ TEP entered into summer purchased power agreements in order to secure firm capacity from a natural gas resource located in Arizona to ensure reliability during the critical summer months. Moreover, weather events such as the record setting heat wave in June 2021 and winter storm Uri in Texas during February 2021, led to record high natural gas and power prices, adding unforeseeable costs.
- Planned and unplanned generation outages in 2020 and 2021 necessitated replacement power purchases.
- Higher transmission costs related to TEP's new 250 MW Oso Grande wind project in New Mexico, which reached commercial operation in 2021.

⁴ Finding of Fact No. 8 (<https://docket.images.azcc.gov/0000203474.pdf?i=1643638863249>)

⁵ See Decision No. 77127 (March 13, 2019).

⁶ <http://www.caiso.com/Documents/Jun25-2021-OrderAcceptingTariffRevisionsSubjecttoFurtherCompliance-SummerReadiness-ER21-1790.pdf#search=tariff%20revisions%20summer%20readiness>

2022 PPFAC Reset

Based on the updated information in this filing, and consistent with the POA, TEP requests that the PPFAC rate for the period of April 1, 2022 through March 31, 2023 be set at \$0.018424 per kWh (see Table 2). This amount includes PPFAC costs already paid by TEP for energy delivered to its customers that are to be passed through pursuant to the Company's Commission-approved POA. The new PPFAC rate would increase average residential bills by an estimated \$12.68 per month assuming average monthly usage of 797 kWh. TEP's request would provide the Company with an opportunity for timely recovery of the \$108 million under-collected bank balance (consisting of the \$18 million of costs shifted from last year and \$90 million of other costs noted above) without continuing to shift costs to future periods.

Estimated Bill Impacts

As described above, TEP is requesting to reset the PPFAC consistent with what the Company is entitled to recover under the Commission approved POA. TEP is also presenting two additional scenarios whereby the true-up component is reset to reflect the recovery of the uncollected true-up balance over 18- and 24-month timeframes.⁷ The average estimated residential monthly bill impacts for 2022 are shown below.

Table 1

| True-Up Balance Recovery Period | Avg. 2022 Estimated Residential Monthly Bill Impact⁸ |
|--|--|
| 12 Months (POA) | \$12.68 |
| 18 Months | \$9.27 |
| 24 Months | \$7.56 |

Future year true up amounts assume minimum recovery as shown in Table 3.

PPFAC Rate Components

The table below shows the PPFAC rate components in dollars per kWh under each scenario.

Table 2

| | Forward | True-Up | Total 2022 PPFAC Rate |
|-----------------|----------------|----------------|------------------------------|
| 12 Months (POA) | \$0.006219 | \$0.012205 | \$0.018424 |
| 18 Months | \$0.006219 | \$0.008137 | \$0.014356 |
| 24 Months | \$0.006219 | \$0.006103 | \$0.012322 |

⁷ TEP will continue to file for annual PPFAC resets consistent with the terms of the POA.

⁸ All bill impacts are based on a comparison to a current bill reflecting the 2021 PPFAC rate. These bill impacts reflect updated true-up and forward components. However, these components may increase or decrease at the next PPFAC reset in April 2023.

True-Up Balance Collections

The bill impacts under each scenario shown in Table 1 are based on the PPFAC true-up collection amounts shown below. TEP notes that under the 18-month scenario, \$36 million of the balance is shifted to 2023 and under the 24-month scenario \$54 million of the balance is shifted to 2023. Shifting the collection of under-collected PPFAC costs will likely result in upward pressure on future rates paid by customers.

Table 3

| PPFAC True-Up Collection Scenarios | 2022 | Estimated Balance Shifted to 2023 |
|---|---------------|--|
| 12 Months (POA) | \$108 million | \$ 0 |
| 18 Months | \$72 million | \$36 million |
| 24 Months | \$54 million | \$54 million |

Other Information

The Company is attaching the PPFAC schedules for the three scenarios listed above.

In addition, as required Decision No. 77746 (October 2, 2020), attached to this report is the required summary of information related to the Company's transition to the Western Energy Imbalance Market.

Pursuant to the provisions of the POA, TEP respectfully requests approval of its PPFAC rate adjustment to be effective April 1, 2022.

Sincerely,



Michael Sheehan
V.P. Strategic Planning &
Energy Acquisition

Enclosures: Schedules and TEP Statement of Charges-Clean and Redline

12 Month

Tucson Electric Power Company
Purchased Power and Fuel Adjustment Clause
February 2022 Filing
Proposed PPFAC Rate Filing Per Docket No. E-01933A-15-0322

| | |
|-------------------|---|
| Schedule 1 | Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 2 | PPFAC Forward Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 3 Public | Forward Component Tracking Account - (PPFAC Forward Component Rate proposed from April 1, 2022 to March 31, 2023) |
| Schedule 4 | PPFAC True-Up Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 5 Public | True-Up Component Tracking Account - (PPFAC True-Up Component Rate proposed from April 1, 2022 to March 31, 2023) |

Tucson Electric Power Company Contact Information

Molly Mitchell (520) 745-3360
Manager - Fuels and Hedging, Tucson Electric Power Company

TUCSON ELECTRIC POWER COMPANY
Schedule 1
Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(\$/kWh)

| Line No. | PPFAC Rate Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 | Change |
|-------------|--|---------------------|----------------------|--------------------|
| 1 | Forward Component Rate (Sch. 2, L12) ¹ | \$ 0.001778 | \$ 0.006219 | \$ 0.004441 |
| 2 | True-Up Component Rate (Sch. 4, L5) ^{1,2} | \$ 0.001516 | \$ 0.012205 | \$ 0.010689 |
| 3 | PPFAC Rate (L1+L2) | <u>\$ 0.003294</u> | <u>\$ 0.018424</u> | <u>\$ 0.015130</u> |
| 4 | Average Base Rate ³ | \$ 0.029053 | \$ 0.029053 | \$ - |
| 5 | Average Total Rate (L3+L4) | <u>\$ 0.032347</u> | <u>\$ 0.047477</u> | <u>\$ 0.015130</u> |

Notes:

¹ Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21. New rate effective April through March of following year in general.

² A historical component related to prior period PPFAC activity

³ Current Average Base Rate effective 1/1/21 as approved in Decision No. 77856 on 12/31/20.

TUCSON ELECTRIC POWER COMPANY

Schedule 2

Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(Forward Component Rate in \$/kWh)

| Line No. | PPFAC Forward Component Rate - Calculation | Current* 1-Jun-21 | Proposed 1-Apr-22 |
|----------|---|----------------------|----------------------|
| 1 | Projected PPFAC Fuel and Purchased Power Costs ¹ | \$ 391,285,325 | \$ 385,101,812 |
| 2 | Projected Short Term Sales Revenue Credit ² | \$ (101,896,652) | \$ (52,190,123) |
| 3 | Projected Wholesale Trading Activities Credit ³ | \$ (445,529) | \$ (686,072) |
| 4 | Projected SO2 Allowance Sales Credit ⁴ | \$ - | \$ - |
| 5 | Net Fuel and Purchased Power Cost (L1+ L2+L3 +L4) | \$ 288,943,144 | \$ 332,225,616 |
| 6 | Projected Native Load Energy Sales (kWh) | 9,400,786,709 | 9,534,745,040 |
| 7 | Projected Average Net Fuel Costs \$/kWh (L5/L6) | \$ 0.030736 | \$ 0.034844 |
| 8 | Base Cost of Fuel and Purchased Power \$/kWh ⁵ | \$ 0.029053 | \$ 0.029053 |
| 9 | Difference between Projected Cost & Base Cost (L7-L8) | \$ 0.001683 | \$ 0.005791 |
| 10 | Forward Component Costs (L6*L9) | \$ 15,822,088 | \$ 55,212,669 |
| 11 | Projected Energy Sales Sales (kWh) ⁶ | 8,896,578,320 | 8,877,489,037 |
| 12 | Forward Component Rate \$/kWh (L10/L11) | \$ 0.001778 | \$ 0.006219 |

Notes:

* Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21.

¹ Beginning 7/1/13 costs include Sulfur Credits, Lime Costs, and Brokerage Costs as approved by the Commission in Decision No. 73912.

² Short Term Sales revenues are credited at 100% as approved by the Commission in Decision No. 70628.

³ 10% of Wholesale Trading Activities credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 70628.

⁴ 100% of SO2 Allowance Sales credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 73912.

⁵ Base Cost of Fuel and Purchased Power was approved in Decision No. 77856 on 12/31/20.

⁶ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

2021 (Estimate)

0.7799%

TUCSON ELECTRIC POWER COMPANY

Schedule 3

Forward Component Tracking Account - PPFAC Forward Component Rate in effect from June 1, 2021 to March 31, 2022

(\$ in thousands; Forward Component Rate and Base Rate in \$/kWh)

| Line | | | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|--|---|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Prior Month Balance | (L18) | \$ - | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 |
| Energy Sales | | | | | | | | | | | | |
| 2 | Retail Native Load Energy Sales (MWh) | | 890,992 | 1,002,412 | 946,635 | 928,845 | 729,032 | 585,962 | 579,876 | 653,873 | 565,220 | 584,374 |
| 2.5 | Retail Native Load Energy Sales Less Community Solar Sales (MWh) | | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 3 | Retail Native Load Energy Sales including losses (MWh) ¹ | | 1,086,740 | 1,065,879 | 1,057,087 | 948,953 | 707,707 | 627,930 | 667,974 | 725,339 | 623,262 | 648,881 |
| 4 | Long Term Energy Sales (MWh) | | 88,773 | 90,799 | 97,310 | 89,750 | 67,186 | 85,308 | 91,772 | 55,191 | 33,095 | 20,189 |
| 5 | Long Term Energy Sales including losses (MWh) ² | | 89,268 | 91,294 | 98,119 | 90,370 | 67,687 | 85,815 | 92,398 | 56,847 | 34,088 | 20,795 |
| 6 | Total Native Load Energy Sales (MWh) | (L2 + L4) | 979,765 | 1,093,211 | 1,043,945 | 1,018,595 | 796,218 | 671,270 | 671,648 | 709,064 | 598,315 | 604,562 |
| 7 | Total Native Load Energy Sales including losses (MWh) | (L3 + L5) | 1,176,008 | 1,157,173 | 1,155,206 | 1,039,323 | 775,394 | 713,745 | 760,372 | 782,186 | 657,349 | 669,676 |
| Fuel and Purchased Power Costs | | | | | | | | | | | | |
| 8 | Fuel and Purchased Power Costs ³ | | 67,973 | 75,014 | 76,085 | \$ 78,949 | \$ 56,381 | \$ 42,512 | \$ 55,282 | \$ 33,778 | \$ 29,956 | \$ 28,882 |
| 9 | Short Term Sales Revenue Credit ⁴ | | 20,781 | 29,359 | 36,419 | \$ 33,809 | \$ 28,212 | \$ 16,542 | \$ 26,547 | \$ 7,986 | \$ 8,078 | \$ 6,423 |
| 10 | Wholesale Trading Activities Credit ⁵ | | 38 | 39 | 39 | \$ 38 | \$ 84 | \$ 81 | \$ 84 | \$ 50 | \$ 51 | \$ 52 |
| 11 | SO ₂ Allowance Sales Credit | | - | 0 | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | Net Fuel and Purchased Power Costs | (L8-L9-L10-L11) | 47,154 | 45,616 | 39,626 | \$ 45,102 | \$ 28,085 | \$ 25,888 | \$ 28,650 | \$ 25,741 | \$ 21,827 | \$ 22,406 |
| Base Fuel Rate & Forward Component Recovery | | | | | | | | | | | | |
| 13 | PPFAC Retail Power Supply Costs | (L3 /L7*L12) | 43,574 | 42,017 | 36,260 | \$ 41,180 | \$ 25,633 | \$ 22,776 | \$ 25,169 | \$ 23,870 | \$ 20,695 | \$ 21,711 |
| 14 | Base Rate Power Supply Recovery ⁶ | (L2 * Note 7) | 27,153 | 30,724 | 28,980 | \$ 28,366 | \$ 20,878 | \$ 15,816 | \$ 15,680 | \$ 18,997 | \$ 16,421 | \$ 16,978 |
| 15 | Forward Component Recovery ^{7,8} | (L2.5 * Note 10) | 1,518 | 1,755 | 1,662 | \$ 1,625 | \$ 1,271 | \$ 1,019 | \$ 1,009 | \$ 1,154 | \$ 997 | \$ 1,031 |
| (Over) / Under Collections and Accrued Interest | | | | | | | | | | | | |
| 16 | (Over)/Under Collections | (L13 -L14 - L15) | 14,904 | 9,538 | 5,619 | \$ 11,190 | \$ 3,484 | \$ 5,940 | \$ 8,480 | \$ 3,720 | \$ 3,276 | \$ 3,702 |
| 17 | Interest ^{9,10} | (L1* Note 9)/12 | 3 | 1 | 2 | \$ 3 | \$ 3 | \$ 4 | \$ 4 | \$ 20 | \$ 21 | \$ 22 |
| 18 | Tracking Account Balance ¹¹ | (L1 + L16 + L17) | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 | \$ 69,935 |

Notes:

1 Retail energy losses are the difference between billed retail energy sales and TEP's control area metered quantity.

2 Long Term Energy Sales losses calculated using applicable EHV loss percentage based on contractual loss amounts.

3 Includes total native load and short term fuel and purchased power excluding mark-to-market accounting adjustments.

4 Short Term Sales Revenue are credited per ACC Decision No. 70628.

5 10% of Wholesale Trading Activities net positive margins realized by TEP during the PPFAC year are credited annually against Fuel and Purchased Power Costs; per ACC Decision No. 70628.

6 Average base rate per kWh rate as approved in Decision 77856 on 12/31/20, effective 1/1/21 \$0.029053

7 Forward Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001778

8 Forward Component Rate \$/kWh Effective Apr 1, 2022 to Mar 31, 2023 \$0.006219

9 Interest Rate as of 1/3/2022 **0.40%**

10 Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15 on the first business day of the calendar year.

11 Tracking Account Balance Line 18 carried to Schedule 4, Line 1.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 4
PPFAC True-Up Component Rate Calculation
(\$ in thousands; True Up Component Rate in \$/kWh)

| Line No. | PPFAC Historical Component Rate - Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 |
|----------|--|---------------------|----------------------|
| 1 | Forward Component Tracking Account Balance ^{2,3} | \$ 9,434 | \$ 69,935 |
| 2 | True-Up Component Tracking Account Balance ⁴ | \$ 4,056 | \$ 38,419 |
| 3 | Total True-Up Amount to be (Refunded)/Collected (L1+L2) ⁵ | \$ 13,490 | \$ 108,353 |
| 4 | Projected Energy Sales Less PPFAC Exempt Sales (kWh) ⁷ | 8,896,578,320 | 8,877,489,037 |
| 5 | Applicable True-Up Component Rate \$/kWh (L3 / L4) ^{1,6} | \$ 0.001516 | \$ 0.012205 |
| 6 | Deferred PPFAC Bank Balance to be Collected in the Following Year ⁸ | \$ 13,490 | |

Notes:

¹ TEP PPFAC became effective April 1, 2009; updated annually each April 1.

² Estimated Forward Component Tracking Account Balance as of filing.

³ Includes interest for those months that are projected.

⁴ Because the actual amount of revenue to be received in the forecasted months from application of the prior Applicable True-Up Component is not available at the time of the filing, Schedule 5 will reflect estimates for those periods as well as true-up calculations for the prior period estimates. See Schedule 5 for more detail.

⁵ Beginning Balance to be carried forward to subsequent PPFAC year, True-Up Component Tracking account balance.

⁶ Current rate effective June 1 2021 through March 31, 2022 per Decision No. 77960 on 04/15/21. Proposed new rate effective April 1, 2022.

⁷ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

⁸ Proposed deferral of the combined Forward and True-up Component Tracking Account Balance for collection to the following PPFAC year.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 5
True-Up Component Tracking Account - PPFAC True-Up Component Rate in Effect June 1, 2021 through March 31, 2022
(\$ in thousands; rate in \$/kWh)

| Line No. | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1a True-Up Beginning Balance as of Apr. 1, 2009 and thereafter ¹ | \$ 13,009 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 1b FC Tracking Account Balance as of June 30, 2013 | \$ 36,511 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 One-time Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 TU Adjusted Beginning Balance (L1 + L2) | \$ 49,520 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 4 Applicable True Up Component Rate (\$/kWh) ² | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 |
| 5 Retail Billed Sales Less Community Solar Sales (MWh) ³ | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 6 Less Revenue from Application TU (L4 x L5) ⁴ | \$ 1,346 | \$ 1,495 | \$ 1,414 | \$ 1,385 | \$ 1,084 | \$ 869 | \$ 860 | \$ 984 | \$ 850 | \$ 879 |
| 7 Monthly Interest (Line 3 * Int Rate/12) ⁵ | \$ 1 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 3 | \$ 14 | \$ 13 | \$ 13 |
| 8 TU Ending Balance; (L3 - L6 + L7) | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 | \$ 38,419 |

Notes:

¹ Ending Balance as of each March 31 is carried forward to April 1 of the next PPFAC year. In 2021, new rates became effective 6/1/21, so beginning balance as of 6/1/21 is the carryforward from the 5/31/21 ending balance.

² True-Up Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001516

³ Sales amounts are for energy billed, excluding customers not subject to the PPFAC Rate.

⁴ Generally, Line 4 x Line 5 = Line 6; however, differences may occur due to the timing of billing adjustments.

⁵ Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 on the first business day of the calendar year.

| | |
|--------------------------------|-------|
| Interest Rate (as of 1/3/2022) | 0.40% |
|--------------------------------|-------|

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh



Tucson Electric Power

Tucson Electric Power Company

First ~~Second~~ Revised ~~Alternate~~ Sheet No.: 801 - 1

Superseding ~~Original~~ ~~First Revised~~ Sheet No.: _____

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|--|-------------------------------------|---------------------------------|----------------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.018424003294 per kWh | June 1, 2021 Pending | 77960XXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) | | | |
| RESIDENTIAL: | \$0.002889 per kWh | July 1, 2020 | 77630 |
| NON-RESIDENTIAL: | 2.8292% | | |
| FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | Exempt | | |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ | | | |
| Residential: | \$2.23 monthly | September 21, 2018 | 76899 |
| Non-Residential: | \$0.90 monthly | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 | \$0.050198 per kWh | February 1, 2011 | 71835 |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.050324 per kWh | Through June 30, 2013 | |
| GoSolar Shares Energy Rate for General Service, Rate GS-10 | \$0.048475 per kWh | | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.049371 per kWh | | |
| GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.049086 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.053463 per kWh | July 1, 2013 | 73912 |
| GoSolar Shares Energy Rate for Small General Service, Rate GS-10 | \$0.053274 per kWh | Through February 26, 2017 | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053227 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.054398 per kWh | February 28, 2017 | 75975 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.054183 per kWh | Through September 19, 2018 | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054167 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.044398 per kWh | September 20, 2018 | 76899 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.044183 per kWh | | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044167 per kWh | | |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
~~June 1, 2021~~ Pending
77856



Tucson Electric Power

Tucson Electric Power Company

Second Revised Alternate Sheet No.: 801 - 1

Superseding First Revised Sheet No.:

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|--|--------------------|----------------------------|--------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.018424 per kWh | Pending | XXXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) | | | |
| RESIDENTIAL: | \$0.002889 per kWh | July 1, 2020 | 77630 |
| NON-RESIDENTIAL: | 2.8292% | | |
| FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | Exempt | | |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ | | | |
| Residential: | \$2.23 monthly | September 21, 2018 | 76899 |
| Non-Residential: | \$0.90 monthly | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 | \$0.050198 per kWh | February 1, 2011 | 71835 |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.050324 per kWh | Through June 30, 2013 | |
| GoSolar Shares Energy Rate for General Service, Rate GS-10 | \$0.048475 per kWh | | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.049371 per kWh | | |
| GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.049086 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.053463 per kWh | July 1, 2013 | 73912 |
| GoSolar Shares Energy Rate for Small General Service, Rate GS-10 | \$0.053274 per kWh | Through February 26, 2017 | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053227 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.054398 per kWh | February 28, 2017 | 75975 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.054183 per kWh | Through September 19, 2018 | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054167 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.044398 per kWh | September 20, 2018 | 76899 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.044183 per kWh | | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044167 per kWh | | |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
Pending
77856

18 Month

Tucson Electric Power Company
Purchased Power and Fuel Adjustment Clause
February 2022 Filing
Proposed PPFAC Rate Filing Per Docket No. E-01933A-15-0322

| | |
|-------------------|---|
| Schedule 1 | Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 2 | PPFAC Forward Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 3 Public | Forward Component Tracking Account - (PPFAC Forward Component Rate proposed from April 1, 2022 to March 31, 2023) |
| Schedule 4 | PPFAC True-Up Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 5 Public | True-Up Component Tracking Account - (PPFAC True-Up Component Rate proposed from April 1, 2022 to March 31, 2023) |

Tucson Electric Power Company Contact Information

Molly Mitchell (520) 745-3360
Manager - Fuels and Hedging, Tucson Electric Power Company

TUCSON ELECTRIC POWER COMPANY
Schedule 1
Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(\$/kWh)

| Line No. | PPFAC Rate Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 | Change |
|-------------|--|---------------------|----------------------|--------------------|
| 1 | Forward Component Rate (Sch. 2, L12) ¹ | \$ 0.001778 | \$ 0.006219 | \$ 0.004441 |
| 2 | True-Up Component Rate (Sch. 4, L5) ^{1,2} | \$ 0.001516 | \$ 0.008137 | \$ 0.006621 |
| 3 | PPFAC Rate (L1+L2) | <u>\$ 0.003294</u> | <u>\$ 0.014356</u> | <u>\$ 0.011062</u> |
| 4 | Average Base Rate ³ | \$ 0.029053 | \$ 0.029053 | \$ - |
| 5 | Average Total Rate (L3+L4) | <u>\$ 0.032347</u> | <u>\$ 0.043409</u> | <u>\$ 0.011062</u> |

Notes:

¹ Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21. New rate effective April through March of following year in general.

² A historical component related to prior period PPFAC activity

³ Current Average Base Rate effective 1/1/21 as approved in Decision No. 77856 on 12/31/20.

TUCSON ELECTRIC POWER COMPANY

Schedule 2

Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(Forward Component Rate in \$/kWh)

| Line No. | PPFAC Forward Component Rate - Calculation | Current* 1-Jun-21 | Proposed 1-Apr-22 |
|----------|---|----------------------|----------------------|
| 1 | Projected PPFAC Fuel and Purchased Power Costs ¹ | \$ 391,285,325 | \$ 385,101,812 |
| 2 | Projected Short Term Sales Revenue Credit ² | \$ (101,896,652) | \$ (52,190,123) |
| 3 | Projected Wholesale Trading Activities Credit ³ | \$ (445,529) | \$ (686,072) |
| 4 | Projected SO2 Allowance Sales Credit ⁴ | \$ - | \$ - |
| 5 | Net Fuel and Purchased Power Cost (L1+ L2+L3 +L4) | \$ 288,943,144 | \$ 332,225,616 |
| 6 | Projected Native Load Energy Sales (kWh) | 9,400,786,709 | 9,534,745,040 |
| 7 | Projected Average Net Fuel Costs \$/kWh (L5/L6) | \$ 0.030736 | \$ 0.034844 |
| 8 | Base Cost of Fuel and Purchased Power \$/kWh ⁵ | \$ 0.029053 | \$ 0.029053 |
| 9 | Difference between Projected Cost & Base Cost (L7-L8) | \$ 0.001683 | \$ 0.005791 |
| 10 | Forward Component Costs (L6*L9) | \$ 15,822,088 | \$ 55,212,669 |
| 11 | Projected Energy Sales Sales (kWh) ⁶ | 8,896,578,320 | 8,877,489,037 |
| 12 | Forward Component Rate \$/kWh (L10/L11) | \$ 0.001778 | \$ 0.006219 |

Notes:

* Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21.

¹ Beginning 7/1/13 costs include Sulfur Credits, Lime Costs, and Brokerage Costs as approved by the Commission in Decision No. 73912.

² Short Term Sales revenues are credited at 100% as approved by the Commission in Decision No. 70628.

³ 10% of Wholesale Trading Activities credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 70628.

⁴ 100% of SO2 Allowance Sales credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 73912.

⁵ Base Cost of Fuel and Purchased Power was approved in Decision No. 77856 on 12/31/20.

⁶ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

2021 (Estimate)

0.7799%

TUCSON ELECTRIC POWER COMPANY

Schedule 3

Forward Component Tracking Account - PPFAC Forward Component Rate in effect from June 1, 2021 to March 31, 2022

(\$ in thousands; Forward Component Rate and Base Rate in \$/kWh)

| Line | | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Prior Month Balance | \$ - | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 |
| Energy Sales | | | | | | | | | | | |
| 2 | Retail Native Load Energy Sales (MWh) | 890,992 | 1,002,412 | 946,635 | 928,845 | 729,032 | 585,962 | 579,876 | 653,873 | 565,220 | 584,374 |
| 2.5 | Retail Native Load Energy Sales Less Community Solar Sales (MWh) | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 3 | Retail Native Load Energy Sales including losses (MWh) ¹ | 1,086,740 | 1,065,879 | 1,057,087 | 948,953 | 707,707 | 627,930 | 667,974 | 725,339 | 623,262 | 648,881 |
| 4 | Long Term Energy Sales (MWh) | 88,773 | 90,799 | 97,310 | 89,750 | 67,186 | 85,308 | 91,772 | 55,191 | 33,095 | 20,189 |
| 5 | Long Term Energy Sales including losses (MWh) ² | 89,268 | 91,294 | 98,119 | 90,370 | 67,687 | 85,815 | 92,398 | 56,847 | 34,088 | 20,795 |
| 6 | Total Native Load Energy Sales (MWh) | 979,765 | 1,093,211 | 1,043,945 | 1,018,595 | 796,218 | 671,270 | 671,648 | 709,064 | 598,315 | 604,562 |
| 7 | Total Native Load Energy Sales including losses (MWh) | 1,176,008 | 1,157,173 | 1,155,206 | 1,039,323 | 775,394 | 713,745 | 760,372 | 782,186 | 657,349 | 669,676 |
| Fuel and Purchased Power Costs | | | | | | | | | | | |
| 8 | Fuel and Purchased Power Costs ³ | 67,973 | 75,014 | 76,085 | \$ 78,949 | \$ 56,381 | \$ 42,512 | \$ 55,282 | \$ 33,778 | \$ 29,956 | \$ 28,882 |
| 9 | Short Term Sales Revenue Credit ⁴ | 20,781 | 29,359 | 36,419 | \$ 33,809 | \$ 28,212 | \$ 16,542 | \$ 26,547 | \$ 7,986 | \$ 8,078 | \$ 6,423 |
| 10 | Wholesale Trading Activities Credit ⁵ | 38 | 39 | 39 | \$ 38 | \$ 84 | \$ 81 | \$ 84 | \$ 50 | \$ 51 | \$ 52 |
| 11 | SO ₂ Allowance Sales Credit | - | 0 | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | Net Fuel and Purchased Power Costs | 47,154 | 45,616 | 39,626 | \$ 45,102 | \$ 28,085 | \$ 25,888 | \$ 28,650 | \$ 25,741 | \$ 21,827 | \$ 22,406 |
| Base Fuel Rate & Forward Component Recovery | | | | | | | | | | | |
| 13 | PPFAC Retail Power Supply Costs | 43,574 | 42,017 | 36,260 | \$ 41,180 | \$ 25,633 | \$ 22,776 | \$ 25,169 | \$ 23,870 | \$ 20,695 | \$ 21,711 |
| 14 | Base Rate Power Supply Recovery ⁶ | 27,153 | 30,724 | 28,980 | \$ 28,366 | \$ 20,878 | \$ 15,816 | \$ 15,680 | \$ 18,997 | \$ 16,421 | \$ 16,978 |
| 15 | Forward Component Recovery ^{7,8} | 1,518 | 1,755 | 1,662 | \$ 1,625 | \$ 1,271 | \$ 1,019 | \$ 1,009 | \$ 1,154 | \$ 997 | \$ 1,031 |
| (Over) / Under Collections and Accrued Interest | | | | | | | | | | | |
| 16 | (Over)/Under Collections | 14,904 | 9,538 | 5,619 | \$ 11,190 | \$ 3,484 | \$ 5,940 | \$ 8,480 | \$ 3,720 | \$ 3,276 | \$ 3,702 |
| 17 | Interest ^{9,10} | 3 | 1 | 2 | \$ 3 | \$ 3 | \$ 4 | \$ 4 | \$ 20 | \$ 21 | \$ 22 |
| 18 | Tracking Account Balance ¹¹ | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 | \$ 69,935 |

Notes:

1 Retail energy losses are the difference between billed retail energy sales and TEP's control area metered quantity.

2 Long Term Energy Sales losses calculated using applicable EHV loss percentage based on contractual loss amounts.

3 Includes total native load and short term fuel and purchased power excluding mark-to-market accounting adjustments.

4 Short Term Sales Revenue are credited per ACC Decision No. 70628.

5 10% of Wholesale Trading Activities net positive margins realized by TEP during the PPFAC year are credited annually against Fuel and Purchased Power Costs; per ACC Decision No. 70628.

6 Average base rate per kWh rate as approved in Decision 77856 on 12/31/20, effective 1/1/21 \$0.029053

7 Forward Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001778

8 Forward Component Rate \$/kWh Effective Apr 1, 2022 to Mar 31, 2023 \$0.006219

9 Interest Rate as of 1/3/2022 **0.40%**

10 Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15 on the first business day of the calendar year.

11 Tracking Account Balance Line 18 carried to Schedule 4, Line 1.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 4
PPFAC True-Up Component Rate Calculation
(\$ in thousands; True Up Component Rate in \$/kWh)

| Line No. | PPFAC Historical Component Rate - Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 |
|----------|--|---------------------|----------------------|
| 1 | Forward Component Tracking Account Balance ^{2,3} | \$ 9,434 | \$ 33,817 |
| 2 | True-Up Component Tracking Account Balance ⁴ | \$ 4,056 | \$ 38,419 |
| 3 | Total True-Up Amount to be (Refunded)/Collected (L1+L2) ⁵ | \$ 13,490 | \$ 72,235 |
| 4 | Projected Energy Sales Less PPFAC Exempt Sales (kWh) ⁷ | 8,896,578,320 | 8,877,489,037 |
| 5 | Applicable True-Up Component Rate \$/kWh (L3 / L4) ^{1,6} | \$ 0.001516 | \$ 0.008137 |
| 6 | Deferred PPFAC Bank Balance to be Collected in the Following Year ⁸ | \$ 13,490 | \$ 36,118 |

Notes:

¹ TEP PPFAC became effective April 1, 2009; updated annually each April 1.

² Estimated Forward Component Tracking Account Balance as of filing.

³ Includes interest for those months that are projected.

⁴ Because the actual amount of revenue to be received in the forecasted months from application of the prior Applicable True-Up Component is not available at the time of the filing, Schedule 5 will reflect estimates for those periods as well as true-up calculations for the prior period estimates. See Schedule 5 for more detail.

⁵ Beginning Balance to be carried forward to subsequent PPFAC year, True-Up Component Tracking account balance.

⁶ Current rate effective June 1 2021 through March 31, 2022 per Decision No. 77960 on 04/15/21. Proposed new rate effective April 1, 2022.

⁷ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

⁸ Proposed deferral of the combined Forward and True-up Component Tracking Account Balance for collection to the following PPFAC year.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 5
True-Up Component Tracking Account - PPFAC True-Up Component Rate in Effect June 1, 2021 through March 31, 2022
(\$ in thousands; rate in \$/kWh)

| Line No. | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1a True-Up Beginning Balance as of Apr. 1, 2009 and thereafter ¹ | \$ 13,009 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 1b PC Tracking Account Balance as of June 30, 2013 | \$ 36,511 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 One-time Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 TU Adjusted Beginning Balance (L1 + L2) | \$ 49,520 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 4 Applicable True Up Component Rate (\$/kWh) ² | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 |
| 5 Retail Billed Sales Less Community Solar Sales (MWh) ³ | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 6 Less Revenue from Application TU (L4 x L5) ⁴ | \$ 1,346 | \$ 1,495 | \$ 1,414 | \$ 1,385 | \$ 1,084 | \$ 869 | \$ 860 | \$ 984 | \$ 850 | \$ 879 |
| 7 Monthly Interest (Line 3 * Int Rate/12) ⁵ | \$ 1 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 3 | \$ 14 | \$ 13 | \$ 13 |
| 8 TU Ending Balance; (L3 - L6 + L7) | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 | \$ 38,419 |

Notes:

¹ Ending Balance as of each March 31 is carried forward to April 1 of the next PPFAC year. In 2021, new rates became effective 6/1/21, so beginning balance as of 6/1/21 is the carryforward from the 5/31/21 ending balance.

² True-Up Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001516

³ Sales amounts are for energy billed, excluding customers not subject to the PPFAC Rate.

⁴ Generally, Line 4 x Line 5 = Line 6; however, differences may occur due to the timing of billing adjustments.

⁵ Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 on the first business day of the calendar year.

| | |
|--------------------------------|-------|
| Interest Rate (as of 1/3/2022) | 0.40% |
|--------------------------------|-------|

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh



Tucson Electric Power

Tucson Electric Power Company

First ~~Second~~ Revised ~~Alternate~~ Sheet No.: 801 - 1

Superseding ~~Original~~ ~~First~~ ~~Revised~~ Sheet No.: _____

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|--|-------------------------------------|---------------------------------|-----------------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.014356003294 per kWh | June 1, 2021 Pending | 77960XXXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) | | | |
| RESIDENTIAL: | \$0.002889 per kWh | July 1, 2020 | 77630 |
| NON-RESIDENTIAL: | 2.8292% | | |
| FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | Exempt | | |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ | | | |
| Residential: | \$2.23 monthly | September 21, 2018 | 76899 |
| Non-Residential: | \$0.90 monthly | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 | \$0.050198 per kWh | February 1, 2011 | 71835 |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.050324 per kWh | Through June 30, 2013 | |
| GoSolar Shares Energy Rate for General Service, Rate GS-10 | \$0.048475 per kWh | | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.049371 per kWh | | |
| GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.049086 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.053463 per kWh | July 1, 2013 | 73912 |
| GoSolar Shares Energy Rate for Small General Service, Rate GS-10 | \$0.053274 per kWh | Through February 26, 2017 | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053227 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.054398 per kWh | February 28, 2017 | 75975 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.054183 per kWh | Through September 19, 2018 | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054167 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.044398 per kWh | September 20, 2018 | 76899 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.044183 per kWh | | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044167 per kWh | | |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
~~June 1, 2021~~ Pending
77856



Tucson Electric Power

Tucson Electric Power Company

Second Revised Alternate Sheet No.: 801 - 1

Superseding First Revised Sheet No.:

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|---|--|--|--------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.014356 per kWh | Pending | XXXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) RESIDENTIAL: NON-RESIDENTIAL: FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | \$0.002889 per kWh 2.8292% Exempt | July 1, 2020 | 77630 |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ Residential: Non-Residential: | \$2.23 monthly \$0.90 monthly | September 21, 2018 | 76899 |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 GoSolar Shares Energy Rate for General Service, Rate GS-10 GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.050198 per kWh \$0.050324 per kWh \$0.048475 per kWh \$0.049371 per kWh \$0.049086 per kWh | February 1, 2011 Through June 30, 2013 | 71835 |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 GoSolar Shares Energy Rate for Small General Service, Rate GS-10 GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053463 per kWh \$0.053274 per kWh \$0.053227 per kWh | July 1, 2013 Through February 26, 2017 | 73912 |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} GoSolar Shares Energy Rate for Residential Electric Service, Rate RES GoSolar Shares Energy Rate for Small General Service, Rate SGS GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054398 per kWh \$0.054183 per kWh \$0.054167 per kWh | February 28, 2017 Through September 19, 2018 | 75975 |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} GoSolar Shares Energy Rate for Residential Electric Service, Rate RES GoSolar Shares Energy Rate for Small General Service, Rate SGS GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044398 per kWh \$0.044183 per kWh \$0.044167 per kWh | September 20, 2018 | 76899 |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
Pending
77856

24 Month

Tucson Electric Power Company
Purchased Power and Fuel Adjustment Clause
February 2022 Filing
Proposed PPFAC Rate Filing Per Docket No. E-01933A-15-0322

| | |
|-------------------|---|
| Schedule 1 | Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 2 | PPFAC Forward Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 3 Public | Forward Component Tracking Account - (PPFAC Forward Component Rate proposed from April 1, 2022 to March 31, 2023) |
| Schedule 4 | PPFAC True-Up Component Rate Calculation Effective June 1, 2021 and Proposed April 1, 2022 Rate |
| Schedule 5 Public | True-Up Component Tracking Account - (PPFAC True-Up Component Rate proposed from April 1, 2022 to March 31, 2023) |

Tucson Electric Power Company Contact Information

Molly Mitchell (520) 745-3360
Manager - Fuels and Hedging, Tucson Electric Power Company

TUCSON ELECTRIC POWER COMPANY
Schedule 1
Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(\$/kWh)

| Line No. | PPFAC Rate Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 | Change |
|-------------|--|---------------------|----------------------|--------------------|
| 1 | Forward Component Rate (Sch. 2, L12) ¹ | \$ 0.001778 | \$ 0.006219 | \$ 0.004441 |
| 2 | True-Up Component Rate (Sch. 4, L5) ^{1,2} | \$ 0.001516 | \$ 0.006103 | \$ 0.004587 |
| 3 | PPFAC Rate (L1+L2) | <u>\$ 0.003294</u> | <u>\$ 0.012322</u> | <u>\$ 0.009028</u> |
| 4 | Average Base Rate ³ | \$ 0.029053 | \$ 0.029053 | \$ - |
| 5 | Average Total Rate (L3+L4) | <u>\$ 0.032347</u> | <u>\$ 0.041375</u> | <u>\$ 0.009028</u> |

Notes:

¹ Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21. New rate effective April through March of following year in general.

² A historical component related to prior period PPFAC activity

³ Current Average Base Rate effective 1/1/21 as approved in Decision No. 77856 on 12/31/20.

TUCSON ELECTRIC POWER COMPANY

Schedule 2

Purchased Power and Fuel Adjustment Clause (PPFAC) Rate Calculation
(Forward Component Rate in \$/kWh)

| Line No. | PPFAC Forward Component Rate - Calculation | Current* 1-Jun-21 | Proposed 1-Apr-22 |
|----------|---|----------------------|----------------------|
| 1 | Projected PPFAC Fuel and Purchased Power Costs ¹ | \$ 391,285,325 | \$ 385,101,812 |
| 2 | Projected Short Term Sales Revenue Credit ² | \$ (101,896,652) | \$ (52,190,123) |
| 3 | Projected Wholesale Trading Activities Credit ³ | \$ (445,529) | \$ (686,072) |
| 4 | Projected SO2 Allowance Sales Credit ⁴ | \$ - | \$ - |
| 5 | Net Fuel and Purchased Power Cost (L1+ L2+L3 +L4) | \$ 288,943,144 | \$ 332,225,616 |
| 6 | Projected Native Load Energy Sales (kWh) | 9,400,786,709 | 9,534,745,040 |
| 7 | Projected Average Net Fuel Costs \$/kWh (L5/L6) | \$ 0.030736 | \$ 0.034844 |
| 8 | Base Cost of Fuel and Purchased Power \$/kWh ⁵ | \$ 0.029053 | \$ 0.029053 |
| 9 | Difference between Projected Cost & Base Cost (L7-L8) | \$ 0.001683 | \$ 0.005791 |
| 10 | Forward Component Costs (L6*L9) | \$ 15,822,088 | \$ 55,212,669 |
| 11 | Projected Energy Sales Sales (kWh) ⁶ | 8,896,578,320 | 8,877,489,037 |
| 12 | Forward Component Rate \$/kWh (L10/L11) | \$ 0.001778 | \$ 0.006219 |

Notes:

* Current PPFAC rate effective June 1, 2021 through March 31, 2022 per Decision No. 77960 on 4/15/21.

¹ Beginning 7/1/13 costs include Sulfur Credits, Lime Costs, and Brokerage Costs as approved by the Commission in Decision No. 73912.

² Short Term Sales revenues are credited at 100% as approved by the Commission in Decision No. 70628.

³ 10% of Wholesale Trading Activities credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 70628.

⁴ 100% of SO2 Allowance Sales credited against Fuel and Purchased Power Costs as approved by the Commission in Decision No. 73912.

⁵ Base Cost of Fuel and Purchased Power was approved in Decision No. 77856 on 12/31/20.

⁶ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

2021 (Estimate)

0.7799%

TUCSON ELECTRIC POWER COMPANY

Schedule 3

Forward Component Tracking Account - PPFAC Forward Component Rate in effect from June 1, 2021 to March 31, 2022

(\$ in thousands; Forward Component Rate and Base Rate in \$/kWh)

| Line | | | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|--|---|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Prior Month Balance | (L18) | \$ - | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 |
| Energy Sales | | | | | | | | | | | | |
| 2 | Retail Native Load Energy Sales (MWh) | | 890,992 | 1,002,412 | 946,635 | 928,845 | 729,032 | 585,962 | 579,876 | 653,873 | 565,220 | 584,374 |
| 2.5 | Retail Native Load Energy Sales Less Community Solar Sales (MWh) | | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 3 | Retail Native Load Energy Sales including losses (MWh) ¹ | | 1,086,740 | 1,065,879 | 1,057,087 | 948,953 | 707,707 | 627,930 | 667,974 | 725,339 | 623,262 | 648,881 |
| 4 | Long Term Energy Sales (MWh) | | 88,773 | 90,799 | 97,310 | 89,750 | 67,186 | 85,308 | 91,772 | 55,191 | 33,095 | 20,189 |
| 5 | Long Term Energy Sales including losses (MWh) ² | | 89,268 | 91,294 | 98,119 | 90,370 | 67,687 | 85,815 | 92,398 | 56,847 | 34,088 | 20,795 |
| 6 | Total Native Load Energy Sales (MWh) | (L2 + L4) | 979,765 | 1,093,211 | 1,043,945 | 1,018,595 | 796,218 | 671,270 | 671,648 | 709,064 | 598,315 | 604,562 |
| 7 | Total Native Load Energy Sales including losses (MWh) | (L3 + L5) | 1,176,008 | 1,157,173 | 1,155,206 | 1,039,323 | 775,394 | 713,745 | 760,372 | 782,186 | 657,349 | 669,676 |
| Fuel and Purchased Power Costs | | | | | | | | | | | | |
| 8 | Fuel and Purchased Power Costs ³ | | 67,973 | 75,014 | 76,085 | \$ 78,949 | \$ 56,381 | \$ 42,512 | \$ 55,282 | \$ 33,778 | \$ 29,956 | \$ 28,882 |
| 9 | Short Term Sales Revenue Credit ⁴ | | 20,781 | 29,359 | 36,419 | \$ 33,809 | \$ 28,212 | \$ 16,542 | \$ 26,547 | \$ 7,986 | \$ 8,078 | \$ 6,423 |
| 10 | Wholesale Trading Activities Credit ⁵ | | 38 | 39 | 39 | \$ 38 | \$ 84 | \$ 81 | \$ 84 | \$ 50 | \$ 51 | \$ 52 |
| 11 | SO ₂ Allowance Sales Credit | | - | 0 | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | Net Fuel and Purchased Power Costs | (L8-L9-L10-L11) | 47,154 | 45,616 | 39,626 | \$ 45,102 | \$ 28,085 | \$ 25,888 | \$ 28,650 | \$ 25,741 | \$ 21,827 | \$ 22,406 |
| Base Fuel Rate & Forward Component Recovery | | | | | | | | | | | | |
| 13 | PPFAC Retail Power Supply Costs | (L3 /L7*L12) | 43,574 | 42,017 | 36,260 | \$ 41,180 | \$ 25,633 | \$ 22,776 | \$ 25,169 | \$ 23,870 | \$ 20,695 | \$ 21,711 |
| 14 | Base Rate Power Supply Recovery ⁶ | (L2 * Note 7) | 27,153 | 30,724 | 28,980 | \$ 28,366 | \$ 20,878 | \$ 15,816 | \$ 15,680 | \$ 18,997 | \$ 16,421 | \$ 16,978 |
| 15 | Forward Component Recovery ^{7,8} | (L2.5 * Note 10) | 1,518 | 1,755 | 1,662 | \$ 1,625 | \$ 1,271 | \$ 1,019 | \$ 1,009 | \$ 1,154 | \$ 997 | \$ 1,031 |
| (Over) / Under Collections and Accrued Interest | | | | | | | | | | | | |
| 16 | (Over)/Under Collections | (L13 -L14 - L15) | 14,904 | 9,538 | 5,619 | \$ 11,190 | \$ 3,484 | \$ 5,940 | \$ 8,480 | \$ 3,720 | \$ 3,276 | \$ 3,702 |
| 17 | Interest ^{9,10} | (L1* Note 9)/12 | 3 | 1 | 2 | \$ 3 | \$ 3 | \$ 4 | \$ 4 | \$ 20 | \$ 21 | \$ 22 |
| 18 | Tracking Account Balance ¹¹ | (L1 + L16 + L17) | \$ 14,907 | \$ 24,446 | \$ 30,067 | \$ 41,259 | \$ 44,746 | \$ 50,690 | \$ 59,174 | \$ 62,913 | \$ 66,211 | \$ 69,935 |

Notes:

1 Retail energy losses are the difference between billed retail energy sales and TEP's control area metered quantity.

2 Long Term Energy Sales losses calculated using applicable EHV loss percentage based on contractual loss amounts.

3 Includes total native load and short term fuel and purchased power excluding mark-to-market accounting adjustments.

4 Short Term Sales Revenue are credited per ACC Decision No. 70628.

5 10% of Wholesale Trading Activities net positive margins realized by TEP during the PPFAC year are credited annually against Fuel and Purchased Power Costs; per ACC Decision No. 70628.

6 Average base rate per kWh rate as approved in Decision 77856 on 12/31/20, effective 1/1/21 \$0.029053

7 Forward Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001778

8 Forward Component Rate \$/kWh Effective Apr 1, 2022 to Mar 31, 2023 \$0.006219

9 Interest Rate as of 1/3/2022 **0.40%**

10 Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release, H-15 on the first business day of the calendar year.

11 Tracking Account Balance Line 18 carried to Schedule 4, Line 1.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 4
PPFAC True-Up Component Rate Calculation
(\$ in thousands; True Up Component Rate in \$/kWh)

| Line No. | PPFAC Historical Component Rate - Calculation | Current 1-Jun-21 | Proposed 1-Apr-22 |
|----------|--|---------------------|----------------------|
| 1 | Forward Component Tracking Account Balance ^{2,3} | \$ 9,434 | \$ 15,759 |
| 2 | True-Up Component Tracking Account Balance ⁴ | \$ 4,056 | \$ 38,419 |
| 3 | Total True-Up Amount to be (Refunded)/Collected (L1+L2) ⁵ | \$ 13,490 | \$ 54,177 |
| 4 | Projected Energy Sales Less PPFAC Exempt Sales (kWh) ⁷ | 8,896,578,320 | 8,877,489,037 |
| 5 | Applicable True-Up Component Rate \$/kWh (L3 / L4) ^{1,6} | \$ 0.001516 | \$ 0.006103 |
| 6 | Deferred PPFAC Bank Balance to be Collected in the Following Year ⁸ | \$ 13,490 | \$ 54,176 |

Notes:

¹ TEP PPFAC became effective April 1, 2009; updated annually each April 1.

² Estimated Forward Component Tracking Account Balance as of filing.

³ Includes interest for those months that are projected.

⁴ Because the actual amount of revenue to be received in the forecasted months from application of the prior Applicable True-Up Component is not available at the time of the filing, Schedule 5 will reflect estimates for those periods as well as true-up calculations for the prior period estimates. See Schedule 5 for more detail.

⁵ Beginning Balance to be carried forward to subsequent PPFAC year, True-Up Component Tracking account balance.

⁶ Current rate effective June 1 2021 through March 31, 2022 per Decision No. 77960 on 04/15/21. Proposed new rate effective April 1, 2022.

⁷ Sales are adjusted for TORS and Go Solar Shares (formerly Community Solar) customers who are not subject to the PPFAC rate.

⁸ Proposed deferral of the combined Forward and True-up Component Tracking Account Balance for collection to the following PPFAC year.

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh

TUCSON ELECTRIC POWER COMPANY
Schedule 5
True-Up Component Tracking Account - PPFAC True-Up Component Rate in Effect June 1, 2021 through March 31, 2022
(\$ in thousands; rate in \$/kWh)

| Line No. | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1a True-Up Beginning Balance as of Apr. 1, 2009 and thereafter ¹ | \$ 13,009 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 1b PC Tracking Account Balance as of June 30, 2013 | \$ 36,511 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 One-time Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 TU Adjusted Beginning Balance (L1 + L2) | \$ 49,520 | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 |
| 4 Applicable True Up Component Rate (\$/kWh) ² | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 | \$ 0.001516 |
| 5 Retail Billed Sales Less Community Solar Sales (MWh) ³ | 884,348 | 985,646 | 932,848 | 913,852 | 715,064 | 573,041 | 567,563 | 648,773 | 560,812 | 579,816 |
| 6 Less Revenue from Application TU (L4 x L5) ⁴ | \$ 1,346 | \$ 1,495 | \$ 1,414 | \$ 1,385 | \$ 1,084 | \$ 869 | \$ 860 | \$ 984 | \$ 850 | \$ 879 |
| 7 Monthly Interest (Line 3 * Int Rate/12) ⁵ | \$ 1 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 4 | \$ 3 | \$ 14 | \$ 13 | \$ 13 |
| 8 TU Ending Balance; (L3 - L6 + L7) | \$ 48,175 | \$ 46,685 | \$ 45,275 | \$ 43,893 | \$ 42,813 | \$ 41,948 | \$ 41,091 | \$ 40,121 | \$ 39,284 | \$ 38,419 |

Notes:

¹ Ending Balance as of each March 31 is carried forward to April 1 of the next PPFAC year. In 2021, new rates became effective 6/1/21, so beginning balance as of 6/1/21 is the carryforward from the 5/31/21 ending balance.

² True-Up Component Rate \$/kWh Effective Jun 1, 2021 to Mar 31, 2022 \$0.001516

³ Sales amounts are for energy billed, excluding customers not subject to the PPFAC Rate.

⁴ Generally, Line 4 x Line 5 = Line 6; however, differences may occur due to the timing of billing adjustments.

⁵ Based on one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 on the first business day of the calendar year.

| | |
|--------------------------------|-------|
| Interest Rate (as of 1/3/2022) | 0.40% |
|--------------------------------|-------|

Schedule presentation will appear to roundup \$'s and MWhs; however calculations are performed on an actual \$ and MWh basis with resultant Rates/kWh roundup to \$0.000000/kWh



Tucson Electric Power

Tucson Electric Power Company

First ~~Second~~ Revised ~~Alternate~~ Sheet No.: 801 - 1

Superseding ~~Original~~ ~~First Revised~~ Sheet No.: _____

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|--|-------------------------------------|---------------------------------|----------------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.012322003294 per kWh | June 1, 2021 Pending | 77960XXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) | | | |
| RESIDENTIAL: | \$0.002889 per kWh | July 1, 2020 | 77630 |
| NON-RESIDENTIAL: | 2.8292% | | |
| FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | Exempt | | |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ | | | |
| Residential: | \$2.23 monthly | September 21, 2018 | 76899 |
| Non-Residential: | \$0.90 monthly | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 | \$0.050198 per kWh | February 1, 2011 | 71835 |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.050324 per kWh | Through June 30, 2013 | |
| GoSolar Shares Energy Rate for General Service, Rate GS-10 | \$0.048475 per kWh | | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.049371 per kWh | | |
| GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.049086 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.053463 per kWh | July 1, 2013 | 73912 |
| GoSolar Shares Energy Rate for Small General Service, Rate GS-10 | \$0.053274 per kWh | Through February 26, 2017 | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053227 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.054398 per kWh | February 28, 2017 | 75975 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.054183 per kWh | Through September 19, 2018 | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054167 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.044398 per kWh | September 20, 2018 | 76899 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.044183 per kWh | | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044167 per kWh | | |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
~~June 1, 2021~~ Pending
77856



Tucson Electric Power

Tucson Electric Power Company

Second Revised Alternate Sheet No.: 801 - 1

Superseding First Revised Sheet No.: _____

TEP STATEMENT OF CHARGES

| Description | Rate | Effective Date | Decision No. |
|--|--------------------|----------------------------|--------------|
| Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC) | \$0.012322 per kWh | Pending | XXXXX |
| Rider R-2 – Demand Side Management Surcharge (DSMS) | | | |
| RESIDENTIAL: | \$0.002889 per kWh | July 1, 2020 | 77630 |
| NON-RESIDENTIAL: | 2.8292% | | |
| FREEPORT-MCMORAN COPPER AND GOLD (25 MW and above): | Exempt | | |
| Rider R-3 – Market Cost of Comparable Conventional Generation (MCCOG) Calculation as Applicable to Rider-4 NM-PRS | \$0.02321 per kWh | May 1, 2021 | 78007 |
| Rider R-4 & 14 – DG Incremental Meter Fee ³ | | | |
| Residential: | \$2.23 monthly | September 21, 2018 | 76899 |
| Non-Residential: | \$0.90 monthly | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Lifeline Discount, Rate R-06-01 | \$0.050198 per kWh | February 1, 2011 | 71835 |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.050324 per kWh | Through June 30, 2013 | |
| GoSolar Shares Energy Rate for General Service, Rate GS-10 | \$0.048475 per kWh | | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.049371 per kWh | | |
| GoSolar Shares Energy Rate for Municipal Service, Rate PS-40 | \$0.049086 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate R-01 | \$0.053463 per kWh | July 1, 2013 | 73912 |
| GoSolar Shares Energy Rate for Small General Service, Rate GS-10 | \$0.053274 per kWh | Through February 26, 2017 | |
| GoSolar Shares Energy Rate for Large General Service, Rate LGS-13 | \$0.053227 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.054398 per kWh | February 28, 2017 | 75975 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.054183 per kWh | Through September 19, 2018 | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.054167 per kWh | | |
| Rider R-5 – Electric Service Solar Rider (GoSolar Shares) ^{1,2} | | | |
| GoSolar Shares Energy Rate for Residential Electric Service, Rate RES | \$0.044398 per kWh | September 20, 2018 | 76899 |
| GoSolar Shares Energy Rate for Small General Service, Rate SGS | \$0.044183 per kWh | | |
| GoSolar Shares Energy Rate for Medium General Service, Rate MGS | \$0.044167 per kWh | | |

¹ Rider 5 approved by Decision Nos. 71835, 73912, 75975 and 76899 is closed for new enrollment as of 7/1/2013, 2/26/17, 9/19/18 and 1/1/2021.

² Formerly known as Bright Tucson Community Solar

³ As of February 28, 2017, all new DG Customers will be assessed a monthly fee, unless the no longer available one-time upfront fee was selected.

Filed By: Dallas J. Dukes
Title: Vice President, Energy Programs and Pricing
District: Entire Electric Service Area

Rate:
Effective Date:
Decision No.:

Statement of Charges
Pending
77856

Western Energy Imbalance Market

Decision No. 77746

TUCSON ELECTRIC POWER COMPANY
Deferred Energy Imbalance Market Implementation costs
February 1, 2022 Filing
Per Decision No. 77746

Schedule 1 Deferred EIM Implementation Costs

Schedule 2 Annual EIM Revenues and associated savings (blank)

Tucson Electric Power Company Contact Information

Molly Mitchell (520) 745-3360
Manager - Fuels and Hedging, Tucson Electric Power Company

TUCSON ELECTRIC POWER COMPANY

Schedule 1

Deferred EIM Implementation costs

Year Ended December 31, 2021

| | | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | 2020 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | 2021 | Total | |
|----------------------------|----|--------|--------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|-----------|-----------|-----------|------------|-----------|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|-----------|------------|------------|--------------|
| Labour Costs | \$ | | 3,353 | \$ 2,116 | \$ 6,788 | \$ 8,667 | \$ 3,112 | \$ 1,289 | \$ 880 | \$ 26 | \$ 77 | \$ 23,956 | \$ 12,415 | \$ 23,634 | \$ 92,868 | \$ 20,974 | \$ 36,346 | \$ 22,672 | \$ 28,160 | \$ 199,746 | \$ 28,444 | \$ 1,133 | \$ 73,417 | \$ 70,203 | \$ 134,977 | \$ 14,792 | \$ 73,154 | \$ 446,274 | \$ 389,141 |
| Software Costs | \$ | | 163 | \$ 29,200 | \$ 2,429 | \$ 1,658 | \$ 12,645 | \$ 10,365 | \$ 17,933 | \$ 3,066 | \$ 4,298 | \$ 1,696 | \$ 6,107 | \$ 46,666 | \$ 136,550 | \$ 7,365 | \$ 66,621 | \$ 12,759 | \$ 62,664 | \$ 7,673 | \$ 7,373 | \$ 1,369 | \$ 14,987 | \$ 5,713 | \$ 33,179 | \$ 90,322 | \$ 66,621 | \$ 411,744 | \$ 352,394 |
| Miscellaneous ¹ | \$ | | 222 | \$ 3,177 | \$ 2,612 | \$ - | \$ - | \$ 1,292 | \$ - | \$ 945 | \$ 3,343 | \$ - | \$ 17,021 | \$ 1,016 | \$ 10,327 | \$ - | \$ - | \$ 9,876 | \$ 3,383 | \$ 1,237 | \$ - | \$ 13,545 | \$ 9,767 | \$ 28,656 | \$ 12,712 | \$ 69,631 | \$ 65,792 | \$ 67,335 | \$ 72,466 |
| Total | \$ | | 3,938 | \$ 8,213 | \$ 15,817 | \$ 28,292 | \$ 13,752 | \$ 5,594 | \$ 15,819 | \$ 4,061 | \$ 8,363 | \$ 12,652 | \$ 18,523 | \$ 68,545 | \$ 242,748 | \$ 28,439 | \$ 145,230 | \$ 42,649 | \$ 94,203 | \$ 132,614 | \$ 35,378 | \$ 36,344 | \$ 5,727 | \$ 73,372 | \$ 201,438 | \$ 14,148 | \$ 142,116 | \$ 947,866 | \$ 1,114,104 |

Note:

¹ Miscellaneous includes consulting, training costs, and etc.

TUCSON ELECTRIC POWER COMPANY
Schedule 2
Annual EIM Revenues and associated savings
Year Ended December 31, 2021

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Note

TEP entered into an agreement with the California Independent System Operator (CAISO) to join the EIM, beginning in April 2022.
No revenues and associated savings for current reporting period.